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11 **UNITED STATES DISTRICT COURT**
12 **DISTRICT OF NEVADA**
13

14 SECURITIES AND EXCHANGE
15 COMMISSION,

16 Plaintiff,

17 vs.

18 MICHAEL J. MOORE,

19 Defendant.
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Case No. 2:15-cv-1865

COMPLAINT

1 Plaintiff Securities and Exchange Commission (“SEC”) alleges as follows:

2 **JURISDICTION AND VENUE**

3 1. This Court has jurisdiction over this action pursuant to Sections 21(d)(3), 21(e) and
4 27(a) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(3), 78u(e) &
5 78aa(a), and Section 3(b)(1) of the Sarbanes-Oxley Act of 2002 (“SOX”), 15 U.S.C. § 7202(b)(1).
6 Defendant has, directly or indirectly, made use of the means or instrumentalities of interstate
7 commerce, of the mails, or of the facilities of a national securities exchange in connection with the
8 transactions, acts, practices and courses of business alleged in this Complaint.

9 2. Venue is proper in this district pursuant to Section 27(a) of the Exchange Act, 15
10 U.S.C. § 78aa(a), because the defendant resides in and/or transacts business in this district, and certain
11 of the transactions, practices and courses of business constituting violations of the federal securities
12 laws occurred within this district.

13 **SUMMARY**

14 3. This case involves violations by Michael J. Moore, formerly a certified public
15 accountant (“CPA”), of two regulatory orders. The first order, issued by the SEC on October 6, 2009,
16 permanently suspended Moore pursuant to SEC rules from appearing or practicing before the SEC as
17 an accountant. The second order, issued by the Public Company Accounting Oversight Board
18 (“PCAOB”) on August 27, 2009, barred Moore from being associated with any PCAOB registered
19 public accounting firm. Moore violated the SEC order when he performed accounting work for two
20 public companies, Cytta Corp. and Monkey Rock Group, Inc., for the periods from February 2010
21 through September 2014 and June 2011 through January 2012, respectively. Moore additionally
22 violated the PCAOB order by performing the accounting work for Monkey Rock, which was an
23 “issuer” under SOX Section 2(a)(7), 15 U.S.C. § 7201(a)(7).

24 4. By engaging in this conduct, Moore violated an SEC order, and violated SOX Section
25 105(c)(7)(B), 15 U.S.C. § 7215(c)(7)(B), which prohibits any person who is suspended or barred by
26 the PCAOB from being associated with a registered public accounting firm willfully to become or

1 remain associated with any issuer in an accountancy capacity.

2 5. The SEC seeks an order pursuant to Section 21(e) of the Exchange Act, 15 U.S.C. §
3 78u(e), directing that Moore comply with the SEC order, a permanent injunction prohibiting future
4 violations by Moore of SOX Section 105(c)(7)(B), an order that Moore disgorge all ill-gotten gains he
5 obtained as a result of his violations plus prejudgment interest thereon, and imposition of a civil
6 penalty.

7 **THE DEFENDANT**

8 6. **Michael J. Moore** is a resident of Las Vegas, Nevada. Moore, a former CPA, is the
9 sole owner and managing member of MJ Moore & Company LLC d/b/a X Tax Pros (“X Tax Pros”).
10 On September 25, 2009, a final judgment was entered pursuant to Moore’s consent, permanently
11 enjoining Moore and his then-audit firm, Moore & Associates Chartered (“M&A”), from future
12 violations of:

- 13 • The antifraud provisions of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and
- 14 Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5;
- 15 • The audit requirement provisions of Sections 10A(a)(1) and 10A(b)(1) of the Exchange
- 16 Act, 15 U.S.C. §§ 78j-1(a)(1) & 78j-1(b)(1), concerning implementation of audit
- 17 procedures designed to detect illegal acts and reporting of potential illegal acts to
- 18 company management;
- 19 • The prohibition of Rule 2-02(b)(1) of Regulation S-X, 17 C.F.R. 210.2-02(b)(1),
- 20 against misstating in an audit report that an audit was made in accordance with
- 21 generally accepted auditing standards; and
- 22 • The requirement of Rule 2-06 of Regulation S-X, 17 C.F.R. 210.2-06, to retain relevant
- 23 audit records for seven years after concluding an audit.

24 *Securities and Exchange Commission v. Michael J. Moore and Moore & Associates Chartered*, Civil
25 Action No. 2:09-cv-01637-LDG-GWF (D. Nev.).

26 7. Moore was licensed as a CPA in both Nevada and Texas, beginning July 19, 2000, and

1 July 3, 1984, respectively. Moore was reprimanded by the Texas State Board of Public Accountancy
2 on July 24, 1990 for practicing without a license. Moore's Texas CPA license was revoked on August
3 18, 1992. On August 9, 1996, Moore was convicted of one count of mail fraud, pursuant to his guilty
4 plea. *United States of America v. Moore*, CR 94-580-01 (D.N.J.) On May 15, 2003, Moore's Texas
5 CPA license was reinstated. Following entry of the injunctive order in *SEC v. Moore* in 2009,
6 Moore's Nevada CPA license was revoked on November 20, 2009, and his Texas CPA license was
7 revoked on July 22, 2010.

8 FACTUAL ALLEGATIONS

9 **A. The SEC and PCAOB Orders**

10 8. On October 6, 2009, the SEC issued an order (the "SEC Order") permanently
11 suspending both Moore and M&A from appearing or practicing before the SEC as accountants based
12 on the entry of the permanent injunction against them. *In the Matter of Michael J. Moore, CPA and*
13 *Moore & Associates Chartered*, SEC AP File No. 3-13640, 2009 SEC LEXIS 3714 (October 6, 2009).

14 9. The PCAOB also entered an order on August 27, 2009, against M&A and Moore (the
15 "PCAOB Order"). The PCAOB Order revoked M&A's registration as a public accounting firm and
16 barred Moore from being an associated person of any public accounting firm registered with the
17 PCAOB.

18 **B. Moore's Violations of the SEC and PCAOB Orders**

19 10. Notwithstanding the SEC and PCAOB Orders, Moore provided accounting services to
20 two SEC-reporting public companies, Cytta Corp. and Monkey Rock Group, Inc.

21 11. Moore's services for Cytta from February 2010 to September 2014 included:

22 a. participating in the preparation of data for inclusion in Cytta's financial

23 statements to be filed with the SEC by maintaining Cytta's cash receipts and
24 cash disbursement journals and its general ledger;

25 b. preparing Cytta's financial statements, including balance sheets, statements of
26 operations, statements of stockholders' equity, and statements of cash flows,

1 which Cytta included in its quarterly and annual reports on Forms 10-Q and 10-
2 K filed with the SEC;

3 c. drafting and editing footnotes to financial statements for Cytta, which Cytta
4 included in its quarterly and annual reports on Forms 10-Q and 10-K filed with
5 the SEC;

6 d. interacting with Cytta's external auditor, including providing the auditor with
7 Cytta's financial statements and footnote disclosures to be included in Cytta's
8 quarterly and annual reports on Forms 10-Q and 10-K, together with supporting
9 documentation and schedules such as equity roll-forward schedules; responding
10 to the auditor's questions; and signing confirmations circulated by the auditor;
11 and

12 e. working with Cytta's Edgar filing service, including forwarding financial
13 statements for inclusion in reports to be filed with the SEC and making
14 corrections to tables in the financial statement footnotes at the request of Cytta's
15 Edgar filing service.

16 12. In fact, Moore provided Cytta with what Moore offered as the "full corporate package,"
17 which included office space, mail services, phone answering services, secretarial services, computer
18 services, inventory storage, maintenance of records, and "bookkeeping and/or comptroller services."
19 Cytta's mailing address is the same as Moore's and X Tax Pros' mailing address, and the investigative
20 subpoena issued by the SEC to Cytta for documents was received by Moore, who then collected and
21 produced responsive documents on Cytta's behalf because all of Cytta's responsive documents were
22 either in Moore's offices or on his server.

23 13. Moore also functioned as Monkey Rock's accounting department from June 2011 to
24 January 2012. Among other things, Moore maintained Monkey Rock's general ledger, drafted
25 quarterly and annual financial statements and footnote disclosures for inclusion in Monkey Rock's
26 quarterly and annual filings with the SEC, and interacted with Monkey Rock's external auditor,

1 including providing the auditor with Monkey Rock's financial statements and footnote disclosures
2 along with supporting documentation and schedules and responding to the auditor's inquiries.

3 **C. Moore's Ill-gotten Gains from His Violations**

4 14. Moore has received at least \$168,612.30 in ill-gotten gains as a result of his actions in
5 violation of the SEC and PCAOB orders, in the form of payments by Cytta and Monkey Rock for his
6 accounting services.

7 **FIRST CLAIM FOR RELIEF**

8 **Violation of an SEC Order**

9 15. The SEC realleges and incorporates by reference paragraphs 1 through 14 above.

10 16. The Defendant, by engaging in the conduct above, violated the October 6, 2009, SEC
11 order permanently suspending him from appearing or practicing before the SEC as an accountant
12 because he prepared statements, opinions or other papers filed with the SEC with his consent in
13 registration statements, notifications, applications, reports or other documents, which constituted
14 appearing or practicing before the SEC as an accountant under SEC Rule 102(f), 17 C.F.R. §
15 201.102(f).

16 17. By engaging in the conduct described above, the Defendant has violated, and unless
17 ordered to comply pursuant to Section 21(e) of the Exchange Act, 15 U.S.C. § 78u(e), will continue to
18 violate, the SEC order.

19 **SECOND CLAIM FOR RELIEF**

20 **Violation of SOX Section 105(c)(7)(B)**

21 18. The SEC realleges and incorporates by reference paragraphs 1 through 14 above.

22 19. The Defendant, by engaging in the conduct above, violated SOX Section 105(c)(7)(B),
23 because he associated with Monkey Rock, an issuer, in an accounting capacity, while barred by the
24 August 27, 2009, PCAOB order from being an associated person of a registered public accounting
25 firm.

26 20. By engaging in the conduct described above, Moore violated and, unless restrained and

1 enjoined, will continue to violate, SOX Section 105(c)(7)(B), 15 U.S.C. § 7215(c)(7)(B).

2 **PRAYER FOR RELIEF**

3 WHEREFORE, the SEC respectfully requests that this Court:

4 **I.**

5 Issue findings of fact and conclusions of law that Defendant Moore committed the alleged
6 violations.

7 **II.**

8 Issue an order commanding Defendant Moore to comply with the Order issued by the SEC
9 pursuant to Rule 102(e)(3)(i) of the SEC's Rules of Practice on October 6, 2009, in *In the Matter of*
10 *Michael J. Moore, CPA and Moore & Associates Chartered*, SEC A.P. File No. 3-13640.

11 **III.**

12 Issue a judgment, in a form consistent with Fed. R. Civ. P. 65(d), permanently enjoining
13 Defendant Moore and each of his agents, servants, employees, and attorneys, and those persons in
14 active concert or participation with him, from violating Section 105(c)(7)(B) of the Sarbanes-Oxley
15 Act of 2002, 15 U.S.C. § 7215(c)(7)(B).

16 **IV.**

17 Order Defendant Moore to disgorge all ill-gotten gains from his illegal conduct, together with
18 prejudgment interest thereon.

19 **V.**

20 Order Moore to pay a civil penalty under Section 21(d)(3) of the Exchange Act, 15 U.S.C. §
21 78u(d)(3).

22 **VI.**

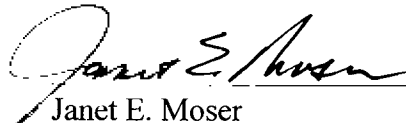
23 Retain jurisdiction of this action in accordance with the principles of equity and the Federal
24 Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that
25 may be entered, or to entertain any suitable application or motion for additional relief within the
26 jurisdiction of this Court.

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VII.

Grant such other and further relief as this Court may determine to be just and necessary.

DATED: September 29, 2015



Janet E. Moser
Attorney for Plaintiff
Securities and Exchange Commission

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

(b) County of Residence of First Listed Plaintiff (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

DEFENDANTS

County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question, 4 Diversity

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, PTF DEF, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Table with 5 columns: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES. Contains various legal categories and checkboxes.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from Another District, 6 Multidistrict Litigation

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
Brief description of cause:

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE DOCKET NUMBER

DATE SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

Civil Action No. _____

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____ .

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____ , and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____ , who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____ ; or

I returned the summons unexecuted because _____ ; or

Other *(specify)*: _____ .

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ .

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc: